

— September 20, 1974

MEMORANDUM

TO: The Intelligence Subcommittee
SUBJECT: Study Plan and Study Group

Pending the formation of the Subcommittee for National Security and Intelligence, the staff proceeded with plans for review of intelligence matters pertinent to the Commission's mandate and initiated research studies on several aspects of the subject to be ready for a study group's deliberation. The Study Plan, including a short outline of the research now underway, is enclosed.

If the Subcommittee approves the concept, a Study Group should be formed comprised of the Subcommittee members supplemented by five or six knowledgeable public citizens. It is presumed that, although the function of Intelligence in the Government involves many technical matters and much that is highly classified, the deliberations of the Subcommittee, and indeed of the Commission as a whole, will be greatly enhanced by the participation of a variety of distinguished private citizens who can bring to the discussion differing backgrounds of experience and views. Specialists and experts can be marshalled to provide support. A "fresh" approach may indeed be the important contribution the Commission can make in this area.

A suggested composition of the Study Group is set forth in a memorandum enclosed.

The Subcommittee should bear in mind that for a number of years the President's Foreign Intelligence Advisory Board, (PFIAB) composed of private citizens, has existed to advise the President on Intelligence matters and has had the Intelligence Community under constant review. The Subcommittee clearly does not want to duplicate the work of PFIAB nor fail to use the fruits of its deliberations. On the other hand, the Commission's mandate would probably indicate that the nature of PFIAB and the contribution that it has made should be explored by the Subcommittee, even as it is examining comparable advisory boards and commissions for such other important functions as

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aid, cultural affairs, foreign information and arms control.
The present membership of PFIAB is as follows:

Anderson, George W., Jr.
Baker, William O.
Cherne, Leo
Connally, John B.
Foster, John S., Jr.
Galvin, Robert W.
Gray, Gordon
Land, Edwin H.
Luce, Clare Boothe
Rockefeller, Nelson A.
Teller, Edward

At some stage the Study Group will probably want to meet with
PFIAB.

F.H.

Possible Membership

Criteria:

- Knowledgeable about intelligence, foreign policy, and/or Government decision making and policy formulation.
- An informed, balanced judgment.
- A wide range of background and experience.

Suggested Members

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- Barry Carter - Washington Attorney; young (Robert McNamara's son-in-law); formerly NSC staff and DOD/ISA.
- Edmund Gullion - Dean, Fletcher School of Law and Diplomacy (Tufts); former Ambassador.
- Jonathan Moore - Assistant Professor, Harvard (Kennedy School); formerly Special Assistant to Elliot Richardson in State Department and DOD.

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- Harding Bancroft - Executive Vice-President, New York Times; formerly State Department official and ILO General Counsel.

Alternates:

- Ray Cline - Director of Studies, Center of Strategic and International Studies; formerly State Department Director of Intelligence; formerly Assistant Director, CIA.

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- Paul Warnke - Washington Attorney; formerly Assistant Secretary of Defense (ISA).
- Walter Slocombe - Washington Attorney; formerly NSC staff and DOD; young.

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- Ben Welles - formerly Washington Correspondent, New York Times; Knowledgeable and responsible newspaper man.
- Klaus Knorr - Princeton Professor of Strategic Studies.

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- Harry Howe Ransom - Professor Vanderbilt University; Author of "The Intelligence Establishment".
- Larry Lynn - Brookings Institution; formerly NSC staff (young).
- George McGhee - Former Ambassador; former Under Secretary of State.

---September 23, 1974

MEMORANDUM

SUBJECT: Subcommittee/Study Group on Intelligence and Covert Action

An outline of proposed activity for the Intelligence Subcommittee, as expanded into a Study Group, is set forth as follows:

1. The Key Substantive Issues

The basic issues for consideration by the Subcommittee/Study Group presented in Enclosure A.

2. Relevant Material Available to the Subcommittee/Study Group

- (a) Major Institutional Report: A letter (12 pages) from DCI Colby to Chairman Murphy outlining formal procedures and organization throughout the intelligence community.
- (b) Major Institutional Hearings (19-20 November 1973): Testimony of DCI Colby; Ray Cline and William Porter from the State Department; and Dr. Hall and Admiral de Poix from the Defense Department. (Summaries of 7-9 pages are available for each one.) The CIA and State testimony is more thoughtful and less rigid than the Defense testimony, but few organizational and procedural changes are recommended by any of them.
- (c) Research Program Case Studies: Some important intelligence matters, including especially an examination of the usefulness of intelligence support in a variety of specific foreign policy situations, will be addressed in the case studies of the Commission's Research Plan.
- (d) Analytical Studies: A set of intelligence analytical issue papers is being prepared under the direction of Dr. William Harris. The papers, between 25 and 75 pages, will be a critically important contribution to the Subcommittee/Study Group deliberations.

They will be available in late October and will cover the following topics:

1. An overview of intelligence functions;
2. Intelligence and policy-making in the institutional context;
3. Innovation in intelligence production;
4. The authority for foreign intelligence;
5. Intelligence resource management; and
6. Covert action.

(e) An All-Source Study: An all-source study project is being mounted by J. J. Hitchcock, under the direction of Kent Crane, to analyze past studies and reports on the intelligence community. This limited-access report, of between 30 and 50 pages, will be available in late October.

(f) Recommended Reading: Enclosure B is a short bibliography of particularly useful books and articles.

3. Suggested Plan of Subcommittee/Study Group Action

A total of perhaps five or six 2-day meetings spread over a period of four months will probably be required to review the materials and prepare findings and recommendations:

- (a) A meeting in conjunction with the October Commission meeting to review the key substantive issues in Enclosure A and the outlines for the Analytical Studies (2d above) and "All Source Study" (2e above).
- (b) Second and third meetings in November primarily to discuss with the authors the papers developed in the "Analytical Studies (2d above) and the "All Source Study" (2e above).
- (c) Fourth and fifth meetings in December and early January for the preparation of findings and recommendations.
- (d) A final meeting in January to discuss and revise as necessary a Subcommittee/Study Group report to the Commission.

ENCLOSURE A

The Key Substantive Issues

a. General

What is the proper function performed by intelligence in support of the conduct of foreign policy?

b. Intelligence Analysis

- (1) How can the relationship between the producers and consumers of finished intelligence be improved?
- (2) In the process of analysis to produce finished intelligence, what are the roles best played by the State Department (INR), the Defense Intelligence Agency, and the various analytical offices in the CIA?
- (3) What should be the system for producing National Intelligence Estimates?
- (4) What new forecasting and scoring techniques should be applied to intelligence analysis?

c. Collection of Information for Foreign Policy Support

- (1) What is the best organization for the collection of raw information of use to the foreign policy community - either directly or in support of intelligence analysis? What is the best procedure for setting priorities, allocating missions, and controlling collectors overseas?
- (2) What are the strengths and weaknesses of collection by Foreign Service Officers, CIA Stations, military attaches, and technical sensors?
- (3) How can intelligence resources be of greater assistance in new fields and in support of new potential customers?
- (4) What are the best mechanisms for providing feedback to the collectors and analysts?

D. The Role of the DCI

- (1) What is the most desirable relationship of the

Director of Central Intelligence to the President and National Security Council? What should be the extent of his authority over the full range of intelligence programs, military as well as civilian?

(2) What changes, if any, are called for in the statutory base and general authorities for foreign intelligence?

e. Resource Management

(1) Since the overwhelming share of the combined intelligence budget is expended by DoD agencies, with practical constraints upon intervention by the DCI or his Intelligence Community Staff, what are the implications for the reorganization of DoD intelligence management?

(2) If there are systematic misallocations of resources, what organizational or legislative reforms are advisable?

f. Covert Action

(1) What are the pros and cons of maintaining a capability for covert action, and what criteria ought to govern its use?

(2) Where should the responsibility for covert action be lodged, and under what controls should it operate?

g. Congressional Oversight

What kind of Congressional oversight should be applied to intelligence activities and to covert political action? (NOTE: THIS SUBJECT WILL BE REVISED IN THE FIRST INSTANCE IN SUBCOMMITTEE I AS A FUNCTION OF THE LARGER SUBJECT OF CONGRESSIONAL EXECUTIVE RELATIONS.)

ENCLOSURE B

Recommended Reading

- (a) The Intelligence Establishment, by Harry Howe Ransom, Cambridge, 1970. The most thorough and best balanced treatment of the intelligence community by any academic (254 pages).
- (b) The U.S. Intelligence Community, by Lyman Kirkpatrick, Jr., New York, 1973. The view from the inside by one of the old timers in the intelligence business. A somewhat shallow, but quite reliable, survey (191 pages).
- (c) The CIA and the Cult of Intelligence, Marchetti and Marks, 1974. A comprehensive and current discussion of the issues, albeit highly one-sided and biased. The authors admit the utility of intelligence analysis in principle but come out strongly against covert operations (337 pages).
- (d) "The CIA and Decision Making" article by Chester Cooper in Foreign Affairs, 1972. A provocative paper on the problems of estimating and the relationship between intelligence and policy-makers (13 pages).
- (e) "Intelligence and Foreign Policy, Dilemmas of a Democracy," article by William Barnds in Foreign Affairs, January 1969. A wide-ranging paper on intelligence activities, covert action, and public attitudes (17 pages).
- (f) "Intelligence and Covert Operations: Changing Doctrine and Practice," unpublished article by Paul Blackstock based on a questionnaire circulated among former intelligence officials. It raises many of the basic issues and offers a multitude of differing opinions (126 pages).